



Gary A. Brown
President Pro Tem
Detroit City Council



STATEMENT OF DETROIT CITY COUNCIL PRESIDENT PRO TEM GARY A. BROWN REGARDING “YES” VOTE ON 2010-2011 MEDICAL, DENTAL AND OPTICAL PLAN RATE SCHEDULES FOR CITY OF DETROIT EMPLOYEES AND RETIREES

May 12, 2010

On Wednesday, May 12, 2010, I voted “yes” on the insurance rates proposed for year 2010-2011 for City of Detroit employees and retirees.

The original proposed increase was 14% and the City was able to decrease that amount to 8%. While this is not optimal, it is the most reasonable at this time. Unfortunately, insurance rates are rising and revenues are falling.

My colleagues and I intensely queried the Labor Relations Director about the strengths of his negotiating efforts and whether or not he sought alternatives for the insurance plans currently offered. We were informed that Health Alliance Plan and Blue Cross Blue Shield of Michigan are specifically named in the City’s bargaining agreements.

While it would have been my preference for a zero percent increase or even a decrease in the insurance rates, that is not possible now. While voting “yes” this year, I strongly urge the administration to begin early and earnest negotiations for the 2011-2012 insurance rates.

As a retiree from the Detroit Police Department, a current elected official, and most importantly, a fiduciary of the City’s budget, I believe we must do a better job of seeking to lighten the financial load for active employees and retirees. We must do this while ensuring the City’s finances remain solvent at the same time.

So, while it is not by any means my first choice, City Council’s passage of these rate increases today will allow ample time for all City of Detroit insurance recipients to make informed decisions based on their personal needs and the plans available before the rate increases take effect on July 1, 2010.

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